

Report of Independent Auditors and Financial
Statements with Supplementary Information for

**Animal Service Center of the
Mesilla Valley**

June 30, 2014

Animal Service Center of the Mesilla Valley

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Animal Service Center of the Mesilla Valley
June 30, 2014

OFFICIAL ROSTER

The Board of Directors, none of whom are employed by the Animal Service Center of the Mesilla Valley for the year ended June 30, 2014, are:

Jess Williams	Chair
Gregory Smith	Vice Chair
Dr. David Garcia	Board Member
Miguel G. Silva	Board Member
Nathan Small	Board Member
Billy Garrett	Board Member
Mark Winson	Board Member
Julia Brown	Board Member

REPORT OF INDEPENDENT AUDITORS

Mr. Hector H. Balderas, New Mexico State Auditor and
The Board of Directors of the Animal Service Center of the Mesilla Valley

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the budgetary comparison schedule for the general fund, of the Animal Service Center of the Mesilla Valley (ASCMV) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise ASCMV's basic financial statements as listed in the table of contents. We also have audited the budgetary comparison schedule for the major capital project fund presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ASCMV's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Animal Service Center of the Mesilla Valley as of June 30, 2014, and the respective changes in financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements and the general fund budgetary comparison schedule that collectively comprise the Animal Service Center of Mesilla Valley's basic financial statements. The Schedule of Pledged Collateral, Schedule of Deposit Accounts and Investments on pages 29 through 30, and the Schedule of Budgetary Comparison for the Major Capital Fund on page 31, are schedules required by 2.2.2. *NMAC* and are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Pledged Collateral, Schedule of Deposit Accounts and Investments, and Schedule of Budgetary Comparison for the Major Capital Fund, schedules required by 2.2.2. *NMAC*, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Pledged Collateral, Schedule of Deposit Accounts and Investments, and Schedule of Budgetary Comparison for the Major Capital Fund, schedules required by 2.2.2. *NMAC*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2014 on our consideration of ASCMV's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ASCMV's internal control over financial reporting and compliance.

Moss Adams LLP

Albuquerque, New Mexico
November 14, 2014

Animal Service Center of the Mesilla Valley

Management's Discussion and Analysis

For the Year Ended June 30, 2014

The management discussion and analysis for the Animal Service Center of the Mesilla Valley (ASCMV) presents an overview of the financial performance for the year ended June 30, 2014. It is intended to be read in conjunction with the financial statements, which follow this section.

ASCMV operates under a joint powers agreement between the City of Las Cruces and Dona Ana County. It is the mission of the Center to provide safe shelter for all lost, mistreated, and abandoned animals of the Mesilla Valley and surrounding communities. The Center utilizes all avenues available to it in placing each animal into a safe, loving, and permanent home whenever possible. ASCMV strives to meet the highest standards of humane animal care and husbandry, and to promote responsible pet ownership through public education and outreach.

The board of directors and its management value fiscal and programmatic accountability. ASCMV is the steward for contributions from participating governments, and operates as a governmental entity.

Overview of Financial Statements

This annual report consists of four parts:

1. Management's discussion and analysis.
2. Basic financial statements.
3. Notes to the basic financial statements.
4. Supplementary information.

The basic financial statements combine the organization-wide and fund financial statements. These statements present different views of the organization.

The statement of net position and the statement of activities are organization-wide financial statements that provide information about ASCMV's overall financial status. The organization-wide financial statements are designed to provide readers with a broad overview of ASCMV's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of ASCMV's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the organization is improving or deteriorating.

The statement of activities presents information showing how ASCMV's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items, for example, accrued vacation leave, that will only result in cash flows in future fiscal periods.

Animal Service Center of the Mesilla Valley
Management's Discussion and Analysis
For the Year Ended June 30, 2014

ASCMV's financial activities are reported in the general fund, which focuses on how cash and other financial assets flow in and out, and the balances remaining at year-end that are available for spending. Consequently, the general fund provides a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance ASCMV's programs.

The financial statements also include notes that explain some of the information in the financial statements and provide more detail. The statements are followed by a section of supplementary information.

Fiscal Agent

The City of Las Cruces is the fiscal agent for ASCMV. As fiscal agent, the City establishes funds to account for money allocated to a particular purpose, and to demonstrate compliance with legal and contractual requirements.

Financial Analysis of the Animal Service Center of the Mesilla Valley

Net Position—Net position increased to \$774,181 at June 30, 2014, from \$659,744 at June 30, 2013. Actual revenues exceeded expenditures resulting in a change in net position of \$114,437 for fiscal year 2014.

Animal Service Center of the Mesilla Valley
Management's Discussion and Analysis
For the Year Ended June 30, 2014

Table 1 summarizes the net position:

Table 1
Net Position
As of June 30,

	2014	2013
Assets		
Current assets	\$ 761,054	\$ 662,687
Capital assets, net	88,056	102,132
Total assets	\$ 849,110	\$ 764,819
Liabilities		
Accounts payable	\$ 14,497	\$ 7,863
Accrued payroll and other	60,432	97,212
Total liabilities	74,929	105,075
Net Position		
Net investment in capital assets	88,056	102,132
Unrestricted	686,125	557,612
Total net position	774,181	659,744
Total liabilities and net position	\$ 849,110	\$ 764,819

Changes in Net Position—Total revenues for the year ended June 30, 2014, were \$2,202,871 compared with expenses of \$2,088,434. Table 2 summarizes the changes in net position for 2014 and 2013, respectively.

Animal Service Center of the Mesilla Valley
Management's Discussion and Analysis
For the Year Ended June 30, 2014

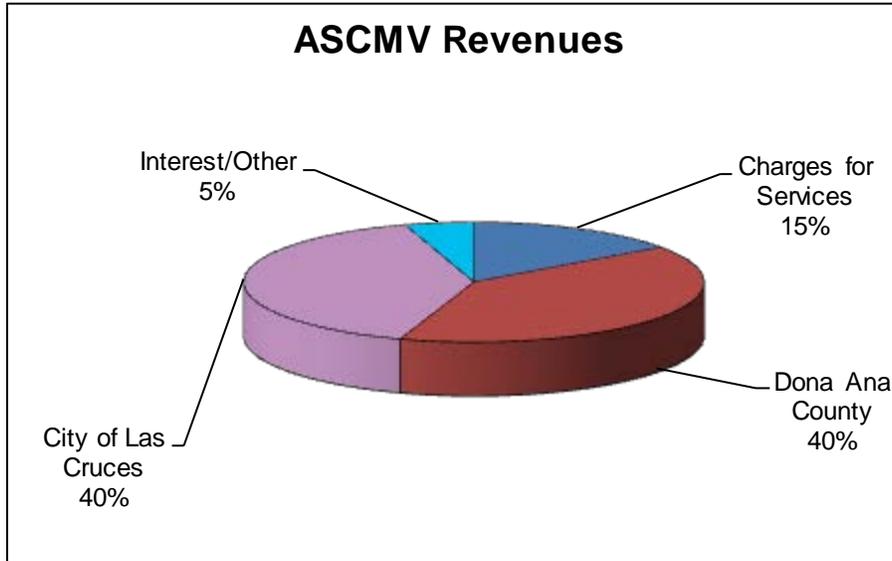
Table 2
Changes in Net Position
For the Years Ended June 30,

	<u>2014</u>	<u>2013</u>
Revenues		
Charges for services	\$ 333,169	\$ 339,042
Operating contributions		
Dona Ana County	881,787	881,787
City of Las Cruces	881,787	881,787
Other revenues	91,193	43,734
Investment income (loss)	14,935	(25,627)
Total revenue	<u>2,202,871</u>	<u>2,120,723</u>
Expenses	<u>2,088,434</u>	<u>2,040,440</u>
Change in net position	114,437	80,283
Net position, beginning of year	<u>659,744</u>	<u>579,461</u>
Net position, end of year	<u><u>\$ 774,181</u></u>	<u><u>\$ 659,744</u></u>

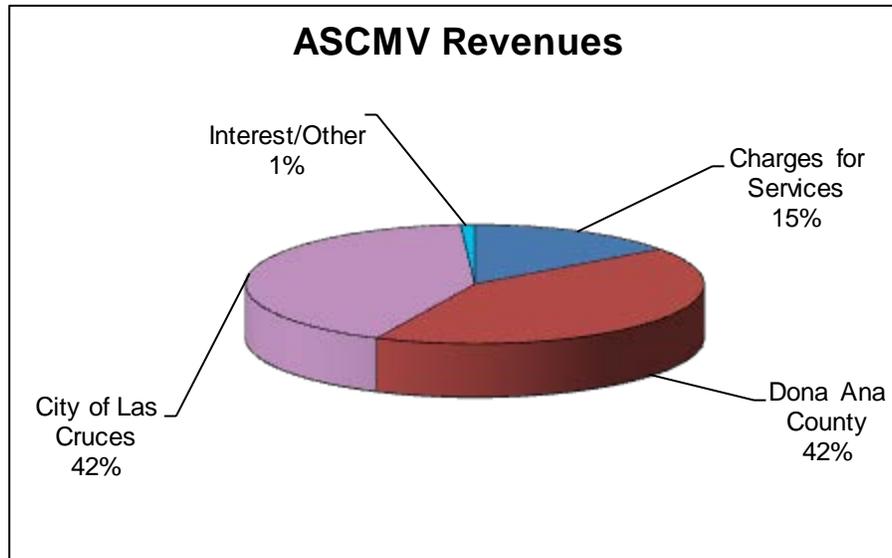
**Animal Service Center of the Mesilla Valley
Management's Discussion and Analysis
For the Year Ended June 30, 2014**

Charts 1 and 2 show the revenues by source for fiscal years 2014 and 2013, respectively.

**Chart 1
Revenues by Source 2014**



**Chart 2
Revenues by Source 2013**



Animal Service Center of the Mesilla Valley
Management's Discussion and Analysis
For the Year Ended June 30, 2014

Budgetary Information—The board of directors approves the annual budget and, when necessary, revisions to the existing budget. ASCMV makes every effort to ensure operational expenditures do not exceed funds available. Budgetary information is presented in the basic financial statements.

Table 3 summarizes the variance between the budgeted and actual expenditures for the year ended June 30, 2014.

Table 3
Budgetary Comparison-Aggregate of All Funds
For the Year Ended June 30, 2014

	Budget		Actual	Variance	Percent Variance
	Original	Final			
Revenues					
Charges for services	\$ 291,000	\$ 293,100	\$ 333,169	\$ 40,069	14%
Operating grants	-	215,000	-	(215,000)	-100%
Operating contributions					
Dona Ana County	881,787	881,787	881,787	-	0%
City of Las Cruces	881,787	881,787	881,787	-	0%
Investment gain (loss)	9,000	9,000	14,935	5,935	66%
Other	32,000	79,450	91,193	11,743	15%
Total revenue	2,095,574	2,360,124	2,202,871	(157,253)	-7%
Expenditures					
Animal services	2,235,472	2,201,797	2,088,434	113,363	5%
Capital outlay	155,335	516,460	-	516,460	100%
Total expenditures	2,390,807	2,718,257	2,088,434	629,823	23%
Revenues (under) over expenditures	\$ (295,233)	\$ (358,133)	\$ 114,437	\$ 472,570	-132%

In fiscal year 2014, the difference between the original budget and the final budget resulted mainly from an increase in operating grants from The State of New Mexico Department of Finance and Administration for the purchase of an animal transport van. The difference between the final revenue budget and the actual revenue results are related to the operating grant not being received in fiscal year 2014 since the transport van was not purchased. The actual revenues were approximately 7% under the final budget.

The increase from the original expenditure budget to the final expenditure budget is a result of an increase to capital outlay for remodeling and upgrades and for the purchase of two animal transport vans. The difference between the final expenditures budget and the actual expenditures are due to the remodeling project not being complete and the purchase of the transport vans pushed to fiscal year 2015. This contributed to total cost savings of \$472,570.

Animal Service Center of the Mesilla Valley
Management's Discussion and Analysis
For the Year Ended June 30, 2014

Capital Assets

Capital Assets—As of June 30, 2014, capital assets totaled \$88,056, net of accumulated depreciation of \$87,000. As of June 30, 2013, capital assets totaled \$102,132, net of accumulated depreciation of \$72,924.

Table 4
Capital Assets and
Accumulated Depreciation
For the Year Ended June 30,

	2014	2013
Equipment	\$ 175,056	\$ 175,056
Accumulated depreciation	(87,000)	(72,924)
Capital assets, net	\$ 88,056	\$ 102,132

Economic Outlook

Changes in the general economic conditions of the City of Las Cruces and the surrounding area influence the economic condition of ASCMV. The local economy is expected to follow the US economy in a slow and uneven recovery. Health Care, Service and Leisure/Hospitality are two sectors that are expected to do well over the near term. The local job picture, in total, will still underperform the nation in part due to our dependence on Public Sector jobs. Private sector job growth should offset public sector job losses leading to a 0.5% growth in FY15.

The public sector is anticipated to be flat in the coming year as state education funding for local schools and NMSU begins to turn around. A return to modest revenue growth, both locally and at the state level, will generate a stable employment picture. Federal government, especially in Postal Services, is expected to shed jobs through FY 2015.

Population growth which slowed along with the national economy is expected to show a very modest gain in FY15. While the region is expected to add approximately 1,000 net new residents in FY15, the rate of growth will be under 2% for the fifth year in a row. The slowly expanding population base is directly linked to local jobs opportunities and to the national housing market. As retirees planning to relocate begin to see some progress on selling houses in other areas of the US, to Las Cruces should see a pick-up in people moving into the area.

Animal Service Center of the Mesilla Valley
Management's Discussion and Analysis
For the Year Ended June 30, 2014

Contacting the Financial Management

The financial report is designed to provide the community and others with an overview of ASCMV finances and demonstrate the organization's accountability for the money it receives. Questions about this report or requests for additional information may be addressed to the Board Chair at:

Animal Service Center of the Mesilla Valley
P.O. Box 20000
Las Cruces, NM 88004

Financial Statements

Animal Service Center of the Mesilla Valley
Statement of Net Position and Governmental Funds Balance Sheet
As of June 30, 2014

	General Fund	Capital Projects Fund	Adjustments (Note 8)	Statement of Net Position
Assets				
Current assets				
Cash and cash equivalents	\$ 540,163	\$ 219,351	\$ -	\$ 759,514
Accounts receivable	1,540	-	-	1,540
Capital assets				
Equipment, net	-	-	88,056	88,056
Total assets	<u>\$ 541,703</u>	<u>\$ 219,351</u>	<u>\$ 88,056</u>	<u>\$ 849,110</u>
Liabilities				
Current liabilities				
Accounts payable	\$ 14,497	\$ -	\$ -	\$ 14,497
Accrued payroll and other	60,432	-	-	60,432
Total current liabilities	<u>74,929</u>	<u>-</u>	<u>-</u>	<u>74,929</u>
Fund Balance/Net Position				
Assigned	-	219,351	(219,351)	-
Unassigned	466,774	-	(466,774)	-
Total liabilities and fund balance	<u>\$ 541,703</u>	<u>\$ 219,351</u>	<u>(686,125)</u>	<u>-</u>
Net position				
Net investment in capital assets			88,056	88,056
Unrestricted			686,125	686,125
Total net position			<u>774,181</u>	<u>774,181</u>
Total liabilities and net position			<u>\$ 88,056</u>	<u>\$ 849,110</u>

The accompanying notes are an integral part of these financial statements.

Animal Service Center of the Mesilla Valley
Statement of Activities and Governmental Funds Revenues,
Expenditures, and Changes in Fund Balances
For the Year June 30, 2014

	General Fund	Capital Projects Fund	Adjustments (Note 8)	Statement of Net Activities
Revenues				
Charges for services	\$ 333,169	\$ -	\$ -	\$ 333,169
Operating grants	-	-	-	-
Operating contributions				
Dona Ana County	881,787	-	-	881,787
City of Las Cruces	881,787	-	-	881,787
Other revenues	91,193	-	-	91,193
Investment income	14,935	-	-	14,935
Total revenues	<u>2,202,871</u>	<u>-</u>	<u>-</u>	<u>2,202,871</u>
Expenditures/Expenses				
Current				
Animal services				
Personnel	1,258,345	-	-	1,258,345
Repairs and maintenance	62,162	-	-	62,162
Services	553,986	1,721	-	555,707
Insurance	14,635	-	-	14,635
Supplies	166,591	-	-	166,591
Other	16,918	-	-	16,918
Depreciation	-	-	14,076	14,076
Capital outlay	-	-	-	-
Total expenditures/expenses	<u>2,072,637</u>	<u>1,721</u>	<u>14,076</u>	<u>2,088,434</u>
Change in fund balance/net position	130,234	(1,721)	(14,076)	114,437
Transfers	(58,000)	58,000	-	-
Fund balance/net position, beginning of year	<u>394,540</u>	<u>163,072</u>	<u>102,132</u>	<u>659,744</u>
Fund balance/net position, end of year	<u>\$ 466,774</u>	<u>\$ 219,351</u>	<u>\$ 88,056</u>	<u>\$ 774,181</u>

The accompanying notes are an integral part of these financial statements.

Animal Service Center of the Mesilla Valley
General Fund Statement of Revenues, Expenditures, and Changes in
Fund Balance—Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 291,000	\$ 293,100	\$ 333,169	\$ 40,069
Operating grants	-	215,000	-	(215,000)
Operating contributions				
Dona Ana County	881,787	881,787	881,787	-
City of Las Cruces	881,787	881,787	881,787	-
Other revenue	32,000	79,450	91,193	11,743
Investment gain (loss)	9,000	9,000	14,935	5,935
Total revenues	<u>2,095,574</u>	<u>2,360,124</u>	<u>2,202,871</u>	<u>(157,253)</u>
Expenditures				
Animal services				
Personnel	1,563,843	1,365,168	1,258,345	106,823
Repairs and maintenance	62,300	65,893	62,162	3,731
Services	414,629	568,636	553,986	14,650
Insurance	16,200	16,200	14,635	1,565
Supplies	162,500	167,500	166,591	909
Other	16,000	18,400	16,918	1,482
Capital outlay	-	296,125	-	296,125
Total expenditures	<u>2,235,472</u>	<u>2,497,922</u>	<u>2,072,637</u>	<u>425,285</u>
Net change in fund balance	(139,898)	(137,798)	130,234	268,032
Transfers to capital from operations	50,000	58,000	58,000	-
Fund balance, beginning of year	394,540	394,540	394,540	-
Fund balance, end of year	<u>\$ 204,642</u>	<u>\$ 198,742</u>	<u>\$ 466,774</u>	<u>\$ 268,032</u>

The accompanying notes are an integral part of these financial statements.

Animal Service Center of the Mesilla Valley
Notes to Financial Statements
June 30, 2014

1) Summary of Significant Accounting Policies

Reporting Entity

The Animal Service Center of the Mesilla Valley (ASCMV) is an organization formed by a joint powers agreement (JPA) dated August 4, 2008 and amended on January 3, 2012, between the City of Las Cruces and the County of Dona Ana (the County). The JPA continues on a yearly basis unless terminated by the parties. The City of Las Cruces and Dona Ana County recognize that the net operating costs may exceed the current joint funding level. Both parties intend to share net operating cost of ASCMV. The operations of ASCMV began in February 2009.

The ASCMV operates an animal shelter providing housing, food, and veterinary care for approximately 15,000 animals every year, most of which are brought by animal control or dropped off by owners. The ASCMV tries to reunite those animals with their owners, find rescue organizations to take them, or get them adopted. If these efforts fail, the animals are euthanized.

The ASCMV is governed by a board that consists of six members and two ex-officio members. Three members are appointed from the City Council by the Mayor with the advice and consent of the City Council. Three members are appointed from the County Commission by the Chair with the advice and consent of the County Commission. The two ex-officio members are the City Manager and the County Manager, or their designees.

The City of Las Cruces is the fiscal agent for ASCMV and accounts for its resources as a governmental entity. ASCMV does not have any component units.

Basis of Presentation, Measurement Focus, and Basis of Accounting

Organization-Wide Financial Statements—The organization-wide financial statements consist of the statement of net position and statement of activities. These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Animal Service Center of the Mesilla Valley
Notes to Financial Statements
June 30, 2014

1) Summary of Significant Accounting Policies (continued)

Governmental Fund Financial Statements— Governmental funds are reported using the current financial resources measurement focus, and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. ASCMV considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

ASCMV reports the following major governmental funds:

General Fund—The general fund accounts for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund—The capital projects fund is funded by transfers from the general fund accounts capital asset acquisitions. Acquisitions are reported as capital outlay expenditures in the capital projects fund.

Cash and Cash Equivalents

ASCMV participates in a pool of cash and investments with the Treasurer of the City of Las Cruces. All pooled cash and investments are fully insured or collateralized. Amounts are immediately available to ASCMV and are therefore considered cash equivalents.

Capital Assets

Capital assets are recorded at cost or, in the case of donated assets, at their fair market value at the date of receipt and are depreciated over the estimated useful lives of the related assets. ASCMV capitalizes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year.

Nonexchange Transactions

Nonexchange transactions, in which ASCMV gives (or receives) value without directly receiving (or giving) equal value in exchange, includes donations. On an accrual basis, revenue from donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Animal Service Center of the Mesilla Valley
Notes to Financial Statements
June 30, 2014

1) Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Budgets

ASCMV's budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), using an estimate of anticipated revenues and expenditures. New Mexico State law prohibits ASCMV from making an expenditure in excess of approved appropriations. If a fund is not overspent, it is in compliance with state law. The budget may be amended by ASCMV's board; however, approval of the State of New Mexico Department of Finance and Administration must be obtained for budget increases.

Fund Balance Policy

Prior to fiscal year 2011, the ASCMV reported the governmental fund balances as Reserved and Unreserved. Effective fiscal year 2011, the ASCMV has implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and reports the governmental fund balances in two categories, which include:

1. *Assigned fund balance* – comprises amounts intended to be used by ASCMV for specific purposes. Intent can be expressed by the Council, or by an official or body to which the Council delegates the authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
2. *Unassigned fund balance* – is the residual classification of the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Unassigned fund balance is only reported in the General Fund.

On June 2, 2011, the ASCMV board adopted a fund balance policy to establish a minimum fund balance reserve of 1/12 of budgeted expenditures effective fiscal year 2011. ASCMV's budgeted expenditures for fiscal year 2014 were \$2,497,922 and 1/12 of this amount is \$208,160. ASCMV's fund balance at June 30, 2014, is \$466,774.

Animal Service Center of the Mesilla Valley
Notes to Financial Statements
June 30, 2014

1) Summary of Significant Accounting Policies (continued)

Adoption of New Accounting Pronouncements

In FY14, ASCMV adopted GASB Statement No.65, *Items Previously Reported as Assets and Liabilities*, and Statement No.66, *Technical Corrections-2012*- an amendment of GASB Statements No. 10 and No. 62. These statements had minimal impact to the Governmental Department's financial statements or related accounting and financial reporting. There were no other changes to the Governmental Department's financial statements as a result of implementing these standards.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*-an amendment of GASB Statement No. 27. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures* as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement. This Statement establishes standards for measuring and recognizing liabilities deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For define benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers where employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. This Statement is effective for fiscal years beginning after June 15, 2014. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Management has not yet completed its assessment of this statement; and therefore, the effect of adopting this statement, if any, is not subject to estimation at this time.

Animal Service Center of the Mesilla Valley
Notes to Financial Statements
June 30, 2014

1) Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

The following accounting pronouncements have been recently issued, but not yet adopted by ASCMV. Management anticipates that, upon adoption by ASCMV, none of these statements will have a significant impact on the Agency's financial position or results of operations. Pronouncements that are not applicable to ASCMV have been omitted.

- ◆ Statement No. 67: *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25.
- ◆ Statement No. 68: *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27.
- ◆ Statement No. 69: *Government Combinations and Disposals of Government Operations*.
- ◆ Statement No. 70: *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.
- ◆ Statement No. 71: *Pension Transition for Contributions Made Subsequent to the Measurement Date*—an amendment of GASB Statement No. 68.

Animal Service Center of the Mesilla Valley
Notes to Financial Statements
June 30, 2014

2) Cash and Cash Equivalents

ASCMV participates in a pool of cash and investments maintained by the Treasurer of the City of Las Cruces. Pooled cash and investments are reported at fair value and are reported as cash and cash equivalents since they are immediately available to ASCMV.

ASCMV's share of the City's cash and investment pool at June 30, 2014, is \$759,514.

At June 30, 2014, the City's cash and investment pool consists of the following:

Carrying amount of bank deposits	\$ 16,469,316
Investments at fair value	120,992,095
Accrued interest	<u>594,304</u>
Total cash and investment pool	<u><u>\$ 138,055,715</u></u>

Bank Balance of Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's investment ordinance requires collateralization of 100% of the uninsured portion of the City's deposits with financial institutions. Securities pledged by financial institutions are accepted at market value, except obligations of the state of New Mexico and its subdivisions, which are accepted at par value. As of June 30, 2014, the City's deposits, totaling \$29,186,423, was insured by FDIC or collateralized by securities held in trust by a third-party bank for the depository bank in the City's name and thus was not exposed to custodial credit risk.

Investments

The City's investment policy allows investment in: a) U.S. Treasury obligations; b) U.S. government agency and instrumentality obligations; c) repurchase agreements whose underlying securities and/or collateral consist of allowed investments described in (a) or (b) above; d) commercial paper rated not less than A-1, P-1, F-1, or equivalent by a nationally recognized rating agency; e) pooled funds maintained by the State Treasurer; and f) mutual funds whose portfolios consist solely of allowed investments.

As of June 30, 2014, the City's investment pool had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Yrs.)</u>
Overnight repurchase agreement	\$ 4,344,002	
U.S. agency coupon bonds	<u>116,648,093</u>	11.22
Total Pooled Investments	<u><u>\$ 120,992,095</u></u>	

Animal Service Center of the Mesilla Valley
Notes to Financial Statements
June 30, 2014

2) Cash and Cash Equivalents (continued)

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investment pool includes step-up coupon securities that total \$116,635,505 issued by U.S. government agencies that are callable by the issuer under certain circumstances. For purposes of calculating weighted average maturity, the City uses duration.

Credit Risk. The City's investment policy lists the criteria for selecting investments and the order of priority as follows: 1) safety; 2) liquidity; and 3) yield. As of June 30, 2014, the City's investments in coupon bonds of U.S. agencies were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. The City's money market fund investments were rated AAAM by Standard & Poor's and/or Aaa by Moody's. The external investment pools of the NM State Investment Council are not rated.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that securities held in street name with a broker or dealer be insured, and that all other securities be held by the City or a third-party safekeeping financial institution acting as trustee for the City. As of June 30, 2014, all of the City's securities are held in either the street name or by a third-party financial institution in the City's name.

Concentration of Credit Risk. The City's formal investment policy places no limit on the amount the City may invest in any one issuer. As of June 30, 2014, 62% of the City's investment pool was in Fannie Mae (FNMA) and 38% in Federal Home Loan Bank (FHLB).

Animal Service Center of the Mesilla Valley
Notes to Financial Statements
June 30, 2014

3) Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	Balances June 30, 2013	Additions	Transfers	Balances June 30, 2014
Equipment	\$ 175,056	\$ -	\$ -	\$ 175,056
Less accumulated depreciation	(72,924)	(14,076)	-	(87,000)
Capital assets, net	<u>\$ 102,132</u>	<u>\$ (14,076)</u>	<u>\$ -</u>	<u>\$ 88,056</u>

Depreciation expense was \$14,076 for the year ended June 30, 2014.

During the year ASCMV spent \$1,721 on a remodeling project for the administration building at the Center. The ASCMV administration building is a City facility. Therefore, this capital outlay was considered a donation to the City to be recorded as an increase in the book value of the building. This expenditure is not reflected in ASCMV assets.

The goal of the City is to ultimately transfer ownership of the administration building to ASCMV, with the resulting benefits of this capital asset returning to the Center. The City is working on the details of the building transfer; however, until the ownership transfer is complete, capital improvements to the building will continue to be recorded in the City's assets.

4) Pension Plan – Public Employees Retirement Association

Plan Description

Substantially all of the ASCMV's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Animal Service Center of the Mesilla Valley
Notes to Financial Statements
June 30, 2014

4) Pension Plan – Public Employees Retirement Association (continued)

Funding Policy

Plan members who earn less than \$20,000 annually are required to contribute 6.58% of their gross salary. Plan members who earn more than \$20,000 annually are required to contribute 8.08% of their gross salary. The ASCMV is required to contribute 15.73% of the gross covered salary. The contribution requirements of plan members and the ASCMV are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The ASCMV's contribution to PERA for the fiscal years ending June 30, 2014, 2013, and 2012 were \$100,177, \$98,722, and \$91,214, respectively, which equal the amount of the required contributions for each fiscal year.

5) Post-Employee Benefits – State Retiree Health Care Plan

Plan Description

ASCMV contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined postemployment health care plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the health care plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Animal Service Center of the Mesilla Valley
Notes to Financial Statements
June 30, 2014

5) Post-Employee Benefits – State Retiree Health Care Plan (continued)

Funding Policy

The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for health care benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate scheduled for the medical plus basic life plan, plus an additional participation fee of five dollars if the eligible participant retired prior to the employer’s RHCA effective date, or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2014, the statute required each participating employer to contribute as follows:

(1) For employees who are not members of an enhanced retirement plan the contribution rates are:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY14	2.000%	1.000%

(2) For employees who are member of an enhanced retirement plan, during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY14	2.500%	1.250%

Also, employers joining the program after January 1, 1998, are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agree-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee, and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contribution can be changed by the New Mexico State Legislature.

Animal Service Center of the Mesilla Valley
Notes to Financial Statements
June 30, 2014

5) Post-Employee Benefits – State Retiree Health Care Plan (continued)

The ASCMV's contributions to the RHCA for the years ended June 30, 2014, 2013, and 2012 were \$11,819, \$11,940, and \$8,989, respectively, which equal the required contributions for each year.

6) Related Party Transactions

ASCMV receives funding from members of the joint powers agreement. During fiscal year 2014, ASCMV received \$881,787 from the City of Las Cruces and \$881,787 from Dona Ana County.

The City is compensated for services rendered to ASCMV as its fiscal agent, as set forth in the joint powers agreement in the amount of \$93,729 per year.

7) Risk Management

ASCMV is exposed to various risks of loss from tort; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters for which ASCMV carries commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year.

8) Adjustments

Fund balances of ASCMV governmental funds of \$686,125 differ from total net position of \$774,181 reported on the statement of net position because capital assets are not reported in the governmental funds. Additionally, the net change in the fund balance of the governmental funds differs from the net position reported on the statement of activities because capital outlay costs are reported as expenditures in the governmental funds and depreciation expense is reported on the statement of activities.

Animal Service Center of the Mesilla Valley
Notes to Financial Statements
June 30, 2014

8) Adjustments (continued)

The following is a summary of the differences:

Fund balance	\$ 686,125
Capital assets are not financial resources and, therefore, are not reported in the funds	<u>88,056</u>
Net position	<u>\$ 774,181</u>
Revenues over expenditures	\$ 128,513
Capital outlay	-
Depreciation	<u>(14,076)</u>
Net change in net position	<u>\$ 114,437</u>

Supplementary Information

Animal Service Center of the Mesilla Valley
Schedule of Pledged Collateral
June 30, 2014

The City of Las Cruces is the fiscal agent of ASCMV. Therefore, ASCMV participates in the City's pooling of cash and investments. The schedule of collateral below represents the amounts that pertain to the City of Las Cruces pooled deposits.

<u>Institution/Security</u>	<u>CUSIP #</u>	<u>Maturity Date</u>	<u>Safe Keeping Location</u>	<u>Market Value</u>
Wells Fargo Bank, NA			BNY Mellon	
FNMA FNMS 3.500% 06/01/43	3138W6RL2	6/1/2043		\$ 429,387
FNMA FNMS 3.000% 05/01/43	3138WQAY8	5/1/2043		25,376,865
FNMA FNMS 4.000% 09/01/43	3138X3XU1	9/1/2043		4,338,949
				<u>\$ 30,145,201</u>

Summary of Collateralization

Wells Fargo Bank

Ending bank balance	\$ 29,186,423
Less: FDIC insurance	(250,000)
Total uninsured public funds	<u>\$ 28,936,423</u>
Pledged collateral held by the pledging bank's trust department in the City's name	\$ 30,145,201
100% collateral requirement	<u>28,936,423</u>
Pledged collateral in excess of requirement	<u>\$ 1,208,778</u>
Uninsured and uncollateralized	<u>\$ -</u>

Animal Service Center of the Mesilla Valley
Schedule of Deposit Accounts and Investments
June 30, 2014

The City of Las Cruces is the fiscal agent of ASCMV. Therefore, ASCMV participates in the City's pooling of cash and investments. Details of ASCMV's cash and cash equivalents are as follows:

Pooled Deposit Accounts

Account	Type of Account	Pooled Cash & Investments	ASCMV Accounts	Total Reconciled Balance	On Deposit 6/30/2014
DEPOSIT ACCOUNTS					
<i>Wells Fargo Bank</i>					
Community Development	Checking	\$ -	\$ -	\$ -	\$ 141,586
Community Development Home Rehab	Checking	-	-	-	16,110
Community Development Home Program	Checking	-	-	-	3,307
Community Development MONAS Loan	Checking	-	-	-	10
Community Development NSP Program	Checking	-	-	-	139,621
Metro Narcotics Agency	Savings	-	-	-	75,561
2006 Water Projects	Savings	-	-	-	1,405,151
Fiscal Account SCSWA	Savings	-	-	-	600,761
Revenue Bonds Proceeds	Savings	-	-	-	6,764,457
Treasury Fund - Operating	Checking	20,010,497	-	20,010,497	20,009,398
Payroll Direct Deposit Account	Checking	(36,725)	-	(36,725)	-
Accounts Payable	Checking	(3,127,391)	-	(3,127,391)	-
On Demand	Checking	19,270	-	19,270	30,461
Depository	Checking	246,415	-	246,415	-
Credit Card	Checking	3,728	-	3,728	-
Electronic	Checking	(646,478)	-	(646,478)	-
Total deposit accounts		<u>\$ 16,469,316</u>	<u>\$ -</u>	<u>\$ 16,469,316</u>	<u>\$ 29,186,423</u>

Animal Service Center of the Mesilla Valley
Schedule of Deposit Accounts and Investments
June 30, 2014

Pooled Investment Accounts

Account	Type of Account	Pooled Investments	ASCMV Accounts	Total Reconciled Balance
INVESTMENTS				
<i>Wells Fargo Bank</i>				
Stagecoach Sweep Repo	Sweep	\$ 4,344,002	\$ -	\$ 4,344,002
<i>Wells Fargo Brokerage Services, LLC</i>				
FHLB Step 1/24/2028-13	Investment	2,832,561	-	2,832,561
FNMA Step 12/20/2027-13	Investment	2,804,649	-	2,804,649
<i>First Tennessee</i>				
FHLB Step 10/15/2027-13	Investment	8,518,230	-	8,518,230
FHLB Step 10/18/2027-13	Investment	11,076,120	-	11,076,120
FHLB Step 11/9/2027-13	Investment	7,689,680	-	7,689,680
FHLB Step 11/8/2027-13	Investment	5,662,260	-	5,662,260
FHLB Step 5/16/2028-14	Investment	6,650,350	-	6,650,350
FNMA 1.03 1/30/2018-14	Investment	990	-	990
FNMA 1 11/29/2017-13	Investment	9,622	-	9,622
FNMA Step 12/13/2027-13	Investment	8,120,560	-	8,120,560
FNMA Step 9/20/2027-13	Investment	4,756,550	-	4,756,550
FNMA Step 9/27/2027-13	Investment	9,628,500	-	9,628,500
FNMA Step 10/4/2027-13	Investment	2,883,360	-	2,883,360
FNMA Step 7/23/2027-13	Investment	2,783,970	-	2,783,970
FNMA Step 8/16/2027-13	Investment	7,519,600	-	7,519,600
FNMA Step 8/27/2027-13	Investment	6,426,560	-	6,426,560
FNMA Step 8/23/2027-13	Investment	3,693,840	-	3,693,840
FNMA Step 8/23/2027-13	Investment	4,633,950	-	4,633,950
FNMA Step 8/27/2027-13	Investment	6,595,120	-	6,595,120
FNMA Step 12/21/2027-13	Investment	7,413,920	-	7,413,920
FNMA Step 1/28/2028-15	Investment	5,066,545	-	5,066,545
FNMA 1.05 3/27/2018-13	Investment	1,976	-	1,976
<i>Stiffel Nicolaus</i>				
FHLB Step 4/26/2028-13	Investment	1,879,180	-	1,879,180
	Total investments	<u>120,992,095</u>	<u>-</u>	<u>120,992,095</u>
	Total deposits and investments	<u>137,461,411</u>	<u>-</u>	<u>137,461,411</u>
<i>Other Cash</i>				
Petty Cash & Change Funds	Cash	-	400	400
<i>Accrued Interest Receivable</i>				
Accrued Interest - Pooled Investments	Accrued Interest	594,304	-	594,304
	Total cash and investments	138,055,715	400	138,056,115
	Less balances in City of Las Cruces fund	137,249,875	-	137,296,601
	ASCMV cash and investment balance	<u>\$ 759,114</u>	<u>\$ 400</u>	<u>\$ 759,514</u>

Animal Service Center of the Mesilla Valley
Capital Projects Fund Statement of Revenues, Expenditures, and Changes in
Fund Balance—Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Animal services				
Services	-	-	1,721	(1,721)
Capital outlay	155,335	220,335	-	220,335
Total expenditures	155,335	220,335	1,721	218,614
Net change in fund balance	(155,335)	(220,335)	(1,721)	218,614
Transfer from operations to capital	50,000	58,000	58,000	-
Fund balance, beginning of year	-	163,072	163,072	-
Fund balance, end of year	\$ (105,335)	\$ 737	\$ 219,351	\$ 218,614

**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Mr. Hector H. Balderas, New Mexico State Auditor and
The Board of Directors of the Animal Service Center of the Mesilla Valley

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the budgetary comparison schedule for the general fund, of the Animal Service Center of the Mesilla Valley (ASCMV), Las Cruces, New Mexico, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise ASCMV's basic financial statements, and have issued our report thereon dated November 14, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ASCMV's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ASCMV's internal control. Accordingly, we do not express an opinion on the effectiveness of ASCMV's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ASCMV's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the ASCMV's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams LLP

Albuquerque, New Mexico
November 14, 2014

Animal Service Center of the Mesilla Valley
Schedule of Findings and Responses
For the Year Ended June 30, 2014

There were no audit findings for the fiscal year ended June 30, 2014.

Animal Service Center of the Mesilla Valley
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2014

There were no audit findings for the fiscal year ended June 30, 2013.

Animal Service Center of the Mesilla Valley
Exit Conference and Financial Statement Preparation
For the Year Ended June 30, 2014

Exit Conference

An exit conference was conducted on November 14, 2014, in a closed meeting of the Board of Directors pursuant to *Section 12-6-5 NMSA, 1978* with the following individuals in attendance:

ASCMV Board of Directors

Mark Winson	Assistant City Manager – Chief Administrative Officer
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City of Las Cruces (Fiscal Agent)

Victoria Fredrick	Director of Financial Services
Maria Villa	Accounting Manager
Josie Medina	Financial Reporting Analyst

ASCMV

Bernice Navarro	Records Clerk
Patricia Deal	Administrative Supervisor
Jess Williams	Board Chair
Greg Smith	Vice Chair
Miguel G. Silva	Board Member

Moss Adams LLP

Brandon Valentini	Partner
Ryan Luetkemeyer	Senior Manager

Financial Statement Preparation

The City's Accounting Department prepared the accompanying financial statements; however, ASCMV is responsible for the financial statement content.